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*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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February 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO EQUIPMENT MAINTENANCE AND
REPAIR SERVICES AGREEMENT WITH MERRY X-RAY CORPORATION
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of amendment to equipment maintenance and repair services Agreement with Merry X-Ray at various Department of Health Services' facilities and Department of Coroner.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director, or his designee, to execute Amendment No. 4 to H-702788 with Merry X-Ray Chemical Corporation (Merry X-Ray), effective upon Board approval to extend the term of the Agreement for the period of April 1, 2014 through March 31, 2015, for equipment maintenance and repair services and chemical disposal services for the x-ray film processors at DHS facilities listed on Attachment A and the Department of Coroner (Coroner), with annual maximum obligation of \$92,993;
2. Delegate authority to the Director, or his designee, to extend the Agreement for one additional year, if necessary, through March 31, 2016 under the same terms and conditions.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 February 18, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute an Amendment to the Agreement with Merry X-Ray, substantially similar to Exhibit I, for the continued provision of x-ray equipment maintenance and repair services and provide chemical disposal services for x-ray processors at nine DHS facilities and the Coroner.

Approval of the second recommendation will allow the Director, or his Designee, to execute an Amendment to extend the Agreement for one additional year, if necessary. The Contractor has agreed to not increase its current rates for the one year extension period and the optional one additional year.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total one-year maximum obligation of the Amendment to the Agreement is \$89,113 for DHS and \$3,880 for Coroner. The maximum obligation for each facility is identified in Attachment A.

Funding is included in DHS's and the Coroner's Fiscal Year 2013-14 Final Budget and will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In June 2005, Novation Diagnostic Imaging Council (Novation), a group purchasing consortium, conducted an Invitation for Bids for consumable products, including x-ray film and other supplies required for radiology services. Merry X-Ray was selected by Novation as one of its distributors to provide consumable products at discounted rates. In July 2006, DHS entered into a commodity Agreement with Novation in order to purchase x-ray film and other supplies at discounted rates. On May 8, 2007, the Board approved a DHS services Agreement with Merry X-Ray for maintenance and repair services of mammography and other medical x-ray film processors and disposal of x-ray chemicals and scrap film purchased through Novation. In addition, the Board also delegated authority to the DHS Director to extend the services Agreement to run concurrently with the Novation Agreement, and, subsequently, DHS extended its services Agreement with Merry X-Ray through March 31, 2010.

In late 2009, Merry X-Ray participated in the Board's contract cost savings initiative that urged all County contractors to reduce contract costs in return for contract extensions. On September 29, 2009, the Board approved CEO's recommendation for a two-year extension through March 31, 2012 with Merry X-Ray in exchange for a seven-percent reduction in costs. Subsequent amendments extended the term through March 31, 2014.

Since 2009, the maximum obligation of this Agreement has been reduced from approximately half a million to approximately \$90,000 currently because DHS' facilities are gradually replacing the

equipment using x-ray films with the digital imaging equipment whenever the budget allows. Each facility that uses this service only owns either one or two x-ray film processors. DHS anticipates that in the next couple of years, no x-ray film processors will be used at facilities. As an example, El Monte Comprehensive Health Center and Long Beach Comprehensive Health Center have plans to replace their x-ray film processors in the next 12 months or so. Therefore, DHS is requesting the Board's approval for a one-year extension of this Agreement and, if needed, one additional year extension. DHS Director, or his designee, will terminate this Agreement when the x-ray film processors are no longer in use. DHS has the delegated authority approved by the Board on June 2, 2009 to terminate any equipment maintenance agreements for equipment no longer in use.

The Coroner has one piece of equipment under this Agreement. It is not cost effective for the Coroner to establish its own agreement. Therefore, the Coroner has requested inclusion of its equipment in the DHS Agreement.

This Agreement is not subject to Proposition A as services cannot currently be provided by County staff, and are not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS

Due to the decreased demand of X-ray film processors, DHS is requesting this Agreement be extended until all these processors are replaced by the digital equipment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will allow DHS and the Coroner to obtain ongoing critical equipment maintenance and repair services for facility operations.

The Honorable Board of Supervisors

2/18/2014

Page 4

Respectfully submitted,

A handwritten signature in black ink, reading "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:mm

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

ATTACHMENT A

DEPARTMENT OF HEALTH SERVICES
Equipment Maintenance & Repair Services

Merry X-Ray			
Facilities	Apr 1, 2014 - Jun 30, 2014	Jul 1, 2014 - Mar 31, 2015	Total Maximum Obligation
H-UCLA MC	\$3,762	\$11,286	\$15,048
LB CHC	\$2,364	\$7,091	\$9,455
EL MONTE CHC	\$1,385	\$4,156	\$5,541
HUDSON CHC	\$2,359	\$7,076	\$9,434
ROYBAL CHC	\$1,390	\$4,170	\$5,560
MLK MACC	\$1,693	\$5,078	\$6,771
HUMPHREY CHC	\$5,956	\$17,869	\$23,825
OV-UCLA MC	\$3,370	\$10,109	\$13,479
Total - DHS	\$22,278	\$66,835	\$89,113
DEPARTMENT OF CORONER	\$970	\$2,910	\$3,880
Total - DHS & Coroner	23,248	69,745	\$92,993

\$89,113
\$3,880
\$92,993

PREVENTIVE MAINTENANCE AND REPAIR SERVICES AGREEMENT

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this ____ day of _____, 2013.

By and between

COUNTY OF LOS ANGELES
(hereafter "County")

And

MERRY X-RAY CORPORATION.
(hereafter "Contractor").

Business Address:
1422 Gardena Ave
Glendale, CA 91204

WHEREAS, reference is made to that certain document entitled, "PREVENTIVE MAINTENANCE AND REPAIR SERVICES AGREEMENT", dated July 1, 2007, and further identified as County Agreement No. H-702788 thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term and make other changes described hereinafter; and

WHEREAS, Agreement provides that changes in accordance with Paragraph 16, ALTERATION OF TERMS, may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon execution.
2. Agreement, Paragraph 1, Term, shall be deleted in its entirety and replaced with the following:

"1. TERM: The term of this Agreement shall commence on July 1, 2007, and shall continue in full force and effect to midnight March 31, 2015, unless sooner canceled or terminated as provided herein. The Director of Health Services may extend the Agreement for one year through March 31, 2016,

under the same terms and conditions. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.”

3. Agreement, Paragraph 5, Maximum Obligation of County, Subparagraph I shall be added to read as follows:

"I. The maximum obligation of County for all services provided hereunder shall not exceed Ninety-Two Thousand, Nine Hundred Ninety-Three Dollars (\$92,993) for the period of April 1, 2014 through March 31, 2015.”

4. Agreement, Paragraph 7, Indemnification, shall be deleted in its entirety and replaced with the following:

“7. INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.”

5. Agreement is modified to add STANDARD PROVISIONS, Paragraph 50, Background and Security Investigations, as follows:

“50. BACKGROUND AND SECURITY INVESTIGATIONS

50.1 At the discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor’s staff passes or fails the background clearance investigation. County may perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

50.2 County may request that the Contractor’s staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor’s staff any information obtained through the County conducted background clearance.

50.3 County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.

50.4 Disqualification, if any, of the Contractor's staff, pursuant to this Sub-paragraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement."

6. Agreement is modified to add STANDARD PROVISIONS, Paragraph 51, Time off for Voting, as follows:

"51. TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000."

7. Agreement, Exhibit B, Pricing Schedule, is modified to add Schedule B-1 attached hereto and incorporated herein by reference.

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services, and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

MERRY X-RAY CORPORATION
Contractor

Signature

By _____
Printed Name

Title _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

MERRY X-RAY CHEMICAL CORP.
EQUIPMENT LIST
Effective April 1, 2014 through March 31, 2015

Harbor-UCLA Medical Center				
S/O #	Acct #	Processor	Location	Annual Cost
2093	2218	KODAK M6AW #11125	CYSTO	\$8,277
2095	2218	KODAK M35 #8295	RADIATION THERAPY	\$6,771
Harbor - Total Cost for Services				\$15,048

Long Beach Comprehensive Health Center				
S/O #	Acct #	Processor	Location	Annual Cost
2128	2246	KODAK M6AN #8678	RM 202-20	\$3,890
451	2246	KODAK MINR		\$5,565
Long Beach - Total Cost for Services				\$9,455

El Monte Comprehensive Health Center				
S/O #	Acct #	Processor	Location	Annual Cost
2133	2230	KODAK M8	MAMMO	\$5,541
El Monte - Total Cost for Services				\$5,541

H. Claude Hudson Comprehensive Health Center				
S/O #	Acct #	Processor	Location	Annual Cost
2100	2228	KODAK M6AN #12728	ROOM #2126 A	\$3,880
2099	2228	KODAK M6B #306178	MAMMO ROOM #2129A	\$5,554
Hudson - Total Cost for Services				\$9,434

Edward R. Roybal Comprehensive Health Center				
S/O #	Acct #	Processor	Location	Annual Cost
2289	2229	KODAK M6AN #528	MAMMO	\$5,560
Roybal - Total Cost for Services				\$5,560

MLK-MACC				
S/O #	Acct #	Processor	Location	Annual Cost
2088	2217	KODAK M35 #3535	4L DENTAL	\$6,771
MLK - Total Cost for Services				\$6,771

Hubert H. Humphrey Comprehensive Health Center				
S/O #	Acct #	Processor	Location	Annual Cost
2042	2227	KODAK M7B #23151	CHEST	\$3,880
2249	2227	KODAK M6AN #12902	DRK RM 2161-DENTAL	\$3,880
2043	2227	KODAK M6B #15475	MAIN	\$5,145
TBD	2227	PLANMED MAMMO	ROOM 1165	\$9,120
N/A	2227	Glassware & X-Ray Tube Coverage		\$1,800
Humphrey - Total Cost for Services				\$23,825

Olive View-UCLA Medical Center				
S/O #	Acct #	Processor	Location	Annual Cost
2044	2220	KODAK M8 #3996	MAIN A-2ND FLOOR	\$6,643
Olive View - Total Cost for Services				\$6,643
Reserve Funds				\$6,836
TOTAL				\$13,479

GRAND TOTAL - Services				\$82,277
Reserve Funds				\$6,836
GRAND TOTAL - Department of Health Services				\$89,113

Department of Coroner				
S/O #	Acct #	Processor	Location	Annual Cost
2051	2222	KONICA SRX 101	Room S-28	\$3,880
Coroner - Total Cost for Services				\$3,880

GRAND TOTAL - ALL FACILITIES				\$92,993
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